

OPINION
55-85

August 1, 1955 (OPINION)

MUNICIPALITIES

RE: Authority to Pay Group Insurance Premiums For Employees

This is in reply to your request for an opinion from this office dated July 21, 1955.

You state that your organization sponsors a group insurance plan which is strictly voluntary and participating municipal employees pay their premiums either directly or by authorizing the municipality to deduct the premium from their salary. Your question is whether a municipality can legally pay from city fund all or part of such premiums if it so desires?

Although the question has never been before the courts of this state, there is ample authority supporting the right of a municipality to use public funds to carry insurance for their officers and employees. The case of State ex rel Thompson vs. Memphis reported in 27 A.L.R. 1257 held that a city having power to increase the wages of its employees may take out group insurance for their benefit, if it will receive better service by so doing, without violating the constitutional provisions forbidding the appropriation of public funds for private purposes.

In the case of Bowers v. Albuquerque, 200 Pac. 421 the court upheld the right of a school district to pay group insurance premiums for its teachers. It is therefore our opinion that a North Dakota municipality can legally pay a part or all the premiums in a group insurance plan for its employees.

LESLIE R. BURGUM

Attorney General